

RHODE ISLAND PUBLIC TRANSIT AUTHORITY

BOARD OF DIRECTORS

MINUTES OF Monday, July 15, 2013 MEETING

Board Members Present: Mayor Scott Avedisian, Chairperson; Stephen Durkee; Jerome Williams; Maureen Martin; Michael Lewis and Peter Ginaitt

Absent: Anna Petra Liebenow and Margaret Holland McDuff

Also Present: Raymond Studley, CEO; Wayne Hannon, Resource Team; Todd Gleason, Outside Counsel; Marie DiToro; and other members of RIPTA's staff and the Resource Team and members of the public whose names are on the sign-in sheet.

Agenda Item 1: **Vote on June 17, 2013 Meeting Minutes**

Mayor Avedisian calls the meeting to order. He announces that Ms. Holland McDuff is on vacation and will not be here today. He also announces that sadly Ms. Petra Liebenow has resigned from the Board. The Board will miss her insight very much and wishes her all the best.

Mayor Avedisian moves on to the first agenda item, approval of the June 17, 2013 minutes. Ms. Martin made a motion to accept the minutes as presented. Mr. Durkee seconded the motion. The motion to approve the minutes of the meeting as presented was unanimously approved.

Agenda Item 2: **Vote on June 27, 2013 Board Orientation Minutes**

Mayor Avedisian moves on to the second agenda item, approval of the June 27, 2013 orientation minutes. Ms. Martin made a motion to accept the minutes as presented. Mr. Williams seconded the motion. The motion to approve the minutes of the meeting as presented was unanimously approved.

Agenda Item 3: **Public Comment**

Mayor Avedisian welcomes Mr. Cute to speak. Mr. Cute, VP of the 618 Union, will be speaking for Mr. Harrington who is away on vacation. Speaking on behalf of the Unions point of view, they are extremely disappointed in the lack of sustainable funding from the General Assembly. The current management team and Board are faced with the daunting task of possibly going to more public hearings, more service cutbacks and

more ridership disapproval due to the lack of funding supplied. They have worked so hard over the past few years to keep the transit system running and supplying the transportation needs of the residents of Rhode Island.

There are some positive things to look forward to; for instance the implementation of the COA which is about to begin. The R-Line scheduled for January of 2014 which will move the system into the next century. The road the R-Line goes over is the original Post Road also called "The Pike" which also use to be a Toll Road with a toll house on it. RIPTA is reaching for the stars with this new service providing quicker, more efficient first class service to the citizens of Rhode Island. Mr. Cute thinks the R-Line will get recognition from businesses on the route and hopes the General Assembly will see this as just another asset RIPTA has to offer to the State of Rhode Island. Mr. Cute states the workforce at RIPTA is well trained and ready to respond and support these improvements of RIPTA. Mr. Cute wishes everyone a happy summer.

With no more public comments, Mayor Avedisian moves on to the CEO Report.

Agenda Item 4: CEO Report

Mr. Studley begins by making sure the Board has the Key Performance Indicators that unfortunately were not able to make it into the CEO Report. Due to transferring from one software to another the RIde numbers were not able to be processed. He also explains that the overall ridership appears to be down, however for the first time in a long time RIPTA did not have service for four days due to natural disasters.

In regards to the Budget, the deficit as of today is \$1.45 million however there are still outstanding invoices, so the estimation is it will still come in at the estimated amount of \$2.2 million.

Mr. Williams asks Mr. Studley if RIPTA has locked in on a diesel price as of yet and Mr. Studley responded that it is harboring in the \$3.20 range, but still hoping it will take a dip. Mr. Hannon states that based on the conversations with the purchasing department and their consultant they have budgeted \$3.20 for the FY14. The daily price is around \$3.17-\$3.20 however they believe the price will decrease sometime this summer and are monitoring it daily to stay within the budgeted amount.

Mayor Avedisian asks Mr. Studley how much money comes in on Air Quality Alert Days. Mr. Studley is not sure of the actual dollars; however Mr. Dean is keeping track of it this year so by the end of the summer they will have a better idea of cost verses revenue on this program.

Mayor Avedisian asks is it accurate to say there is a sense that it has turned into free bus to the beach day rather than getting people to take the bus into work.

Director Lewis thinks it is important to review this and make sure it has not deviated from the original intent because of federal funding used.

Mr. Laflamme begins the ATMS report by stating since the last Board Meeting they have received the new announcement files with the female voice and have tested 20% of the routes. It will be an ongoing effort as feedback comes in.

He is still looking to have all announcements released by the end of the summer.

Fleet installs are over 80% complete, however they ran into a glitch; they ran out of material to complete the 2013 bus installs. To avoid not installing the 2013 buses as scheduled they took the material from the 2005 buses. Parts for the 2005 bus installs are on order and once here they will complete those installs.

The New Dispatch Center is furnished and they are currently installing equipment.

The High Performance Data Radio is still being field tested.

Customer information signs have been tested over the past couple of weeks at Kennedy Plaza displaying departure signs. They will run more testing then install additional signs.

Currently displaying real time data, beta testing website showing expected arrival times at all our stops on all routes however this is all being done internally at this time.

Summer schedules did get imported and automatically updated with no problems.

The plans for the next four weeks are to continue fleet installs and hopefully finish them, test ADA signs, hope to open new Dispatch Center and schedule of the training.

Mayor Avedisian asks Ms. Neira to provide the Board with an ARRA update. Since the last meeting she states RIPTA projects are relatively completed and just waiting for final invoices. Once all of the invoices and payments are complete which she anticipates by mid to late August then they can officially close it out by the September 30 deadline as required.

Director Lewis asks if any unspent dollars have been approved to spend on other line items so the final amount would come in at \$0.00 and Ms. Neira responds yes. Mayor Avedisian asks that as of September 30, 2013 could she provide the Board with what projects were completed with the reallocation of funds. He would like a list of projects that the ARRA money has accomplished and Ms. Neira responds that she will produce that report.

Agenda Item 5: RICARE's Rally 4 Recovery

Mr. Estrada begins by saying he is on the Board of RICARE's, which is an organization that deals with long-term recovery and Mr. Gillen is the Vice Chairperson on RICARE's Board and the Director of Anchor Recovery Community Center. Mr. Estrada states that RICARE's has been involved in Recovery Rally in the past and this year they have been selected to be the National Hub. They wanted to enlist other State Agencies, which is the reason Mr. Estrada and Mr. Gillen are here today. They would like to ask the Board and RIPTA Management to provide Transportation for the Sober House Community to attend the event. Currently these Houses are throughout the state and RICARE's would supply Purple Bracelets with RIPTA's name on them which would allow them access to free transportation to and from the event that evening. No additional buses would be

needed for they are only looking to make approximately 500 bracelets. The event is from 2pm-8pm on September 21, 2013.

Ms. Martin asks if the people will be shy to wear the bracelets and Mr. Estrada explains that for so long people have been shy in recovery and it will really depend on the individual, however many people are proud and do not mind it being known.

Mayor Avedisian speaks to Mr. Studley to have the RIPTA staff work closely with RICARE's to make this work.

The Board thinks this is a great idea and will leave the logistics up to Mr. Studley and his staff. Mayor Avedisian thinks this is a great opportunity to show more people that RIPTA and public transportation is a great way to travel around the state.

Mr. Durkee makes a motion to accept this presentation and Director Lewis seconds the motion and it was unanimously approved.

Agenda Item 6: FY14 Budget

Mr. Hannon presents the FY2014 Budget to the Board, unfortunately he was unable to get the document to the Board prior to the meeting so he will go through it today and they can table the vote till next month. He explains he is presenting a balanced budget on the operating side however, it does not include the OPEB liability of \$6.2 million. Mr. Hannon states the General Assembly did not allocate any additional funding to RIPTA, however based on last year's revised budget they actually saved additional money over and above that revised budget. The FY14 Budget presented today is showing a surplus of \$104,459. Once the OPEB can be funded he will then take a look at the unfunded liability and begin to come up with a plan to draw that down.

Mr. Hannon states that there is also a list of assumptions that were made to complete the budget and a list of these can be found on the second page in the packet.

Mr. Durkee asks to get clarification on the passenger revenue. Mr. Hannon states it shows a downward trend. Fewer paying passengers for the FY14 has been assumed based off of trends produced by the planning department. Mayor Avedisian states that the COA explained why this was the case, with full buses not being able to pick up passengers, if it is not timely or able to take the rider where he/she has to go the ridership will decrease.

Mr. Ginaitt asks if this has been seen before in either other economical times or people just make decisions to take vehicles. Mr. Hannon does not know and will take a closer look over the past few years and see if the economy change does impact the ridership.

Mr. Hannon states that the diesel price budgeted for FY14 is \$3.20 and is hoping it will come in at that price or less. Locked in last year at \$3.14, however increased it and hopes he was conservative enough to make up the difference.

Mr. Hannon moves on to the Budget Document itself. He states one of the first things they did was take a look at all revenue to expense estimates to make the budget balance based on our revenue. There are five categories of Revenue; Federal

Revenue, Gasoline Tax Revenue, Other Revenue, Passenger Revenue and Special Revenue.

They are not defined here in the document, however an explanation can be given if the Board would like. The same process was done on the expenditure side as well with certain levels of expenses summarized at the highest level so a one page snapshot can be seen. He is projecting \$104,459.00 surplus based off of this budget however there are a lot of unknowns for instance the Gas Tax and fuel which can impact the Budget. He feels this is a good happy medium and will always keep the Board informed on those areas and others throughout the year.

Mr. Hannon states that some of the new format requests made last month for Budget Submittal have been implemented. The percentages of change to the FY13 number and the variance have been included in this report. The variance reflects where the budget was with the revised number that was approved by the Board and there were additional savings that occurred from that which was not part of that revised number. That is why some of these numbers may seem high in terms of reduction and will see it in the impact statements as well.

Mr. Hannon asks the Board to go to Tab 1, which is the Personnel Supplement section. The first page summarizes it by Department and following that it is broken down with a summary of positions for each department. This report will show you the FTE and Cost associated to it. It identifies all positions and what the salary line is and below defines the benefits and turnover.

The report shows all purchased services, so everyone can see a complete cost of not only salary and benefits but also the contract service piece as related to personnel as well.

Mr. Ginaitt notices that retiree health is only found under Finance and Mr. Hannon states that is because they didn't break it down in each category. It was left in finance because it was an easier way to identify this cost.

Mr. Hannon moves on to Tab 2 which breaks down the Revenue Summary that was on the first page that was talked about earlier. It is the same format of that report, but provides greater detail. Also included in the report is the change column from FY13 and FY14.

Mr. Williams notices that the Farebox Revenue is down 27.27% and Ms. DiLauro explains that it is declining from the budgeting figure in FY13. Mr. Hannon explained Ms. DiLauro did the majority of the work on this document and their discussion was what does it get compared to and the decision was the FY13 revised budget because it was a number approved by the Board. Anything above and beyond that or changes after that revision are not reflected. Next year it should be a more direct comparison.

Mr. Williams is wondering what it would be through June 2013 because this report is only through May 2013. Mr. Hannon states that they can get the information.

Mayor Avedisian asks what the difference is between Farebox and Farebox Revenue on the report. Mr. Hannon believes that both of these should be combined into one number; however they will look into and get clarification.

Mayor Avedisian explains this is more information than the Board is use to seeing so this will pose a lot of questions for clarification.

Within Tab 2, they begin looking at expenditures by Departments and the reports now breakdown RIPTA State Funds verses RIPTA Federal Funds to keep better track of the different funding sources and it is important for the Board to know when approving the Budget. This will help differentiate from what he considers general revenue versus federal funding.

Mr. Hannon moves to Tab 3, this breaks the other two reports down further by different salary categories. His plan was to give as much detail as possible which would pose a lot of questions and some answers they will be able to give right away and others may take a little time.

Tab 4, shows the Impact Statements, summarized what changes made to the revised FY13 number. When there is a positive number it is an increase in the budget line and a negative number is a decrease in the budget line and there is a brief description of what that represents. Remember these are based off of Revised FY13 number.

Mr. Hannon will be asking for Board approval of a Budget that is balanced showing a \$104.459 surplus at year end which will most likely change as year moves on, but will be monitored very closely.

Director Lewis asks Mr. Hannon if he can list the top three line items that Mr. Hannon has the least control over and that have the biggest potential swing. Mr. Hannon states Maintenance because of the diesel fuel and mileage which these can swing either way. Para-transit has undergone a few changes that have reduced the mileage by approximately 2,000 miles a day and this would be a positive swing. The diesel fuel is the biggest unknown at this point and one that is not something that anyone can control, but is a line item that needs to be monitored very closely. On the Revenue side, the Gas Tax is the item with the least control. It is one of those things RIPTA has no control over at all.

Mr. Williams would like to say this is terrific and great news. It shows the amount of work that everyone has put into this. Mr. Williams comments that RIPTA has a balanced operating budget, but not a balanced budget because of the OPEB and he worries about losing that in communication at times. His intent is not to take away from what Mr. Studley and Mr. Hannon have done, but rather to express a caution on this.

Mayor Avedisian states that he and Mr. Studley have discussed that now that RIPTA has this document can go to the General Assembly and provide them the update, but explain to them that the following items are not taken into account in this budget.

Mr. Hannon states that any time he had gone to either the Senate or the House they would ask what the number is and why does it fluctuate so much. Mr. Hannon wanted to produce a clean document and be able to give them a number with what items still need to be addressed and how RIPTA plans on tackling those items. Mr. Hannon explains that the staff at RIPTA worked diligently on this, especially Karen DiLauro.

Mr. Durkee would like to be cautious in submitting a balanced budget for it does not take into account our Strategic Plan or growth because this is a survival budget.

Mr. Hannon doesn't disagree with Mr. Durkee, but he thinks that if you do not have a balanced budget then they will not give RIPTA any additional money and Mr. Durkee completely agrees.

Mr. Ginaitt states that there is a balance between what to show and how to show it. This is a great document and commends all the hard work on this.

Mayor Avedisian comments that they have told to bring the State a budget that shows them exactly where RIPTA is today to give a real picture of what is going on and then to discuss what items are not included and also the priorities that should be on the plate and haven't been able to.

Mr. Hannon would like to load this budget into the system and then ask the Board for an approval at next month's meeting. Mayor Avedisian says it is safe to say they can move forward with establishing this. We may have a couple small changes, but nothing drastic and confirms that Mr. Hannon will add this to next month's agenda for approval.

Agenda Item 7: RIPTA Deferred Compensation Plan Update

Ms. Neira is requesting the Board to approve a consolidated and updated Deferred Compensation Plan for RIPTA employees effective May 1, 2013. Currently, the Authority sponsors and maintains two separate Deferred Compensation Plan documents, one for each of the Authority's providers, Mass Mutual and ING. This was structured historically and not required by law. The two plan documents were recently updated to reflect current law and current plan options. For ease of administration and for purposes of consistency, the Authority decided to maintain a single plan document with two investment providers. Ms. Neira worked closely with Mr. Gleason and his office on this one document. She states that attached to the staff summary is the Board Resolution that will need to be signed and submitted back so the Plan Document will be official. The original documents were so old that it listed dollar amounts that are no longer accurate. The new documents will no longer reference dollar amounts so it will not need to be updated yearly. Mr. Gleason adds that this is just an effort to consolidate two things that did not have to be separate. When originally looked at comparing the two plans there were distinct differences, but also a lot of similarities some were just language issues. Consolidating into one plan with multiple providers provides a lot more consistency in terms of expectations of the employees.

The plan actually requires a Resolution. If approved the Mayor will have to sign and he would read the three Resolutions out loud. Mr. Gleason reads the Board Resolution aloud.

Director Lewis asks if there is a budgetary impact to this, Ms. Neira confirms no there is not.

Ms. Martin asks if previously there was a document like this, and Mr. Gleason responds that there were two documents that have been made into one. Ms. Martin clarifies that she is asking specifically about the Resolution. Mr. Gleason responds that he is not sure if there was one before, but generally most Plan Providers like to keep this on file.

Mayor Avedisian states that he does not recall one since he has been on the Board. Ms. Neira states that if one was done it would have gone back to the 1980's.

Director Lewis makes a motion to accept the consolidation and update to the RIPTA Deferred Compensation Plan. Mr. Williams seconds the motion, but interjects with a question. Mr. Williams asks who the administrator of the plan is and Ms. Neira states that there are two providers and each provider is its own administrator of the plan. So currently it would be Mass Mutual and ING.

Ms. Martin states that she is not sure if this is a change of obligations to the employee with this consolidation. Ms. Neira states that as they looked at both plans they realized that the language within them is inconsistent. Depending on which plan the employee was in there were different variations or benefits that could be had. This consolidation would allow all the same benefits with two different providers. This would also allow for a clear list of specifications when going out to bid in the future for a Provider. Every Provider would have to follow the same requirements laid out in this plan.

Ms. Martin asks if this addresses the collective bargaining agreement at all. Mayor Avedisian states that this plan is voluntary. It is disclosed to every employee that they can opt in.

Mr. Gleason states that Deferred Compensation is a hot topic now especially for the IRS, it is a source of focus so in addition to the benefits that these plans historically provided and now will continue to provide under one plan; there are also a bunch of legal updates in terms of just the language and references that need to be made to bring it into conformance.

Ms. Neira states keep in mind that every couple of years, RIPTA as an organization, do our due diligence for these plans so the providers can reach out and look at what the charges are, the fees, etc. and the Union is involved in this process and have made recommendations and brought in vendors and that is how RIPTA ended up with the two providers.

Ms. Martin addresses Mayor Avedisian to say that this is unusual but she believes that there is an interested party who may want to speak on this subject.

Mr. Cute is welcomed to speak on the subject. He asks Ms. Neira if the Union was consulted on this and Ms. Neira responds no.

Mr. Cute states that he believes this is their right and asks the Board before they make a vote to allow the Union to take a look at this document. It may only help us, but until the Union has time to look at it he is requesting this gets tabled.

Mayor Avedisian states that a conversation will need to be had and asks for the motion to be withdrawn at this time and have it tabled till next month.

Director Lewis withdraws his original motion and Mr. Williams seconds the withdrawal.

Mr. Williams asks Ms. Neira are there significant communications that must go out regarding fees, etc., and are the providers handling the communications with the Employees? Ms. Neira states yes, all communications come directly from the Providers. The fees and interest rates are locked into contracts with RIPTA so the interest rate and fees do not change.

Mr. Williams understands compliance with this is significant.

Agenda Item 8: RFP 13-31 Fare Media

Ms. Neira states that once every five years RIPTA goes out to Bid to procure the production and delivery for the Fare Media for Fare Boxes. The five years is up and there were two bidders, one is the Electronic Data Magnetism, Inc and the other is Magnetic Ticket and Labeling. Currently using Magnetic Ticket and Labeling and was costing RIPTA approximately \$120,000 a year. Based on the review committee of the bids, Electronic Data Magnetism produce and deliver Fare Products and looking at an annual cost of \$105,000. This would be a one year contract with up to four annual renewal options to be exercised at the sole discretion of the Authority.

Mr. Williams makes a motion to award the contract to Electronic Data Magnetism, Inc as presented today. Ms. Martin seconds the motion and it passes unanimously.

Agenda Item 9: PLN 12-13 Transit Signal Prioritization, Phase II Change Order

Mr. Nordin is asking for award of a Change Order to Vanasse Hangen Brustlin, Inc (VHB) for \$58,000 to complete the remainder of Phase III of the TSP Project. Phase II ran into a funding source issue because it required additional review that slowed the project down. To avoid losing the ARRA money invested RIPTA split the project into two parts. Mr. Nordin explains that due to the fact CMAQ money required additional design review, and ARRA money had a restricted timeframe, the decision was made to

divide Phase III into two separate contracts. The first contract was administered by RIPTA and utilized ARRA funding. The second contract will be administered by RIDOT and will utilize Providence's CMAQ funding. Due to the fact these contracts were separated as two construction projects, VHB was required to complete a bid package development for both contracts. Change Order 2 will award VHB an additional \$58,000 to both complete the bid development for the second construction project and to complete fine tuning of the TSP system at all intersections.

Director Lewis makes a motion to accept the Phase II Change Order as presented and Mr. Williams seconds the motion. The motion passes unanimously.

Mr. Ginaitt asks that in the future when using acronyms, please make sure to include the full meaning of the acronym in the document.

Agenda Item 10: Bus Stop Realignment Project

Ms. Pettine states that the Bus Stop Realignment is part of the COA and today is just an update on how RIPTA is going about this project. The document sent to the Board shows the spacing, placement, safety, how to phase the project and how they intend to communicate these changes to the public. RIDOT is doing construction on Elmwood Avenue, so they will coordinate with RIDOT as much as possible when determining when changes to routes will happen. A conversation is had on how Route 20 ended up with so many stops and how efficient this route will be by removing 44 of them.

There is a very comprehensive approach their staff takes in deciding what stops will be removed and how. Ms. Pettine states they also look at the legality of removing stops and a lot of safety concerns for riders and drivers are addressed as well.

Ms. Martin asks if consideration is given to being able to see the opposite bus stop, for instance logistically it didn't work out. Ms. Pettine states it is not always appropriate to pair up stops, but that is always a goal. Ms. Martin states she can see how it would be more convenient to riders to know the stops are right near each other. Mr. Therrien states that drivers only have to stop if there are people there waiting.

Ms. Pettine states that the system is done in phases. Bus stops are a very political business and they will meet officials anytime to educate them on how and why things are being done. She will make sure that great communication with officials will be had on this as well. She stated that there is a great collaboration of departments to make all this happen. There will be from a week to three weeks of notice when a bus stop will be removed. The sign on the pole does not state where the closest bus stop is, however Ms. Pettine states that in most cases they should be able to see the closest spot.

Mr. Ginaitt asks how quickly will the shelter stops that are getting removed would be taken away. Mr. Therrien states of course their goal is to remove them as quickly as possible to avoid rider confusion; however they will take longer than just sign stops due to outside vendor involvement. Mr. Therrien will make sure that there will be clear notification of stops that are no longer active.

Ms. Pettine states that all complaints, concerns and comments are tracked and documented in one area. She moves on to discuss Community Partners and the programs that are currently going on with bus stops.

Mr. Durkee asks Ms. Pettine for an update on the road bus striping in Bristol. Ms. Pettine states that RIDOT finished their construction and striped out the spots that already existed and there were probably more than needed. Mr. Therrien gave a presentation to the Town Council at their request and suggested scaling back. RIDOT still had some final striping so they offered to re-stripe. Ms. Pettine thinks in retrospect they should have scaled back more and put in curb extensions because has a less impact on parking and would have made training easier for drivers. Ms. Pettine states that the Charlesgate area had concerns once the striping was done, however technically there was no loss of parking. This was a RIPTA stop to begin with, but people would park in the bus stop area.

Agenda Item 11: Executive Session to consider, discuss and act upon such matters as may be closed to the public pursuant to R.I. Gen. Laws § 42-46-5(a)(2) [work sessions pertaining to collective bargaining or litigation],as may be appropriate.

Mayor Avedisian asked for a motion to convene to Executive Session to consider, discuss and act upon such matters as may be closed to the public pursuant to R.I. Gen. Laws § 42-46-5(a)(2) [work sessions pertaining to collective bargaining or litigation],as may be appropriate.

Mr. Williams reads the law to go to executive session and made the motion. Director Lewis seconded the motion and a roll call vote was taken. The motion to adjourn to executive session passed unanimously.

Following the Board's return to open session Mr. Williams made a motion to seal the minutes of the executive session. Ms. Martin seconded the motion, and it passed unanimously.

Agenda Item 10: Adjournment

Mayor Avedisian asks for a motion to adjourn the meeting. Mr. Durkee makes a motion to adjourn and Ms. Martin seconds. The motion was unanimously approved and the meeting was adjourned.

Respectfully submitted,

Marie DiToro
Recording Secretary